

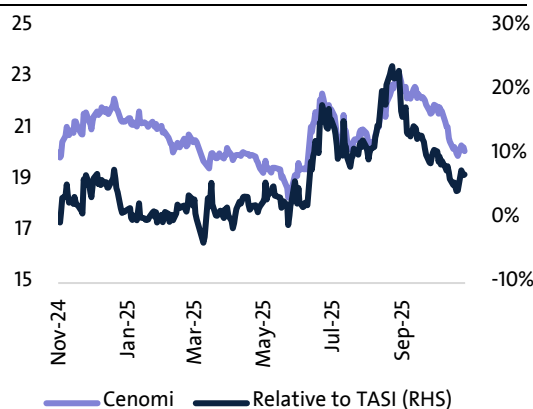


Latest developments strengthen the investment case; Buy (TP: SAR25.6)

Recommendation	BUY
Market Price	19.81
Target Price	25.6
Upside/Downside	29%

Stock Data	
Market Cap Total/FF (USDmn)	2,509/1,329
Shares Total/FF (mn)	475/253
52 Week Hi-Low(SAR)	23.2/18.34
3/6/12 M Volume Traded (mnsh)	1.0/1.0/1.3
3/6/12 M Value Traded (USDmn)	5.6/5.2/7.1
Relative to TASI (3/6/12 M)	-3/6/8%

Cenomi Stock Price Performance vs TASI



Source: AC, Bloomberg

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Cenomi- Major milestones achieved

We believe Cenomi Centers' (Cenomi) investment case has further strengthened with the completion of two major sukuk transactions in Nov-25 and the recent ownership changes in a former associate entity, which carried significant overdue receivables to Cenomi. We reflect the latest corporate developments and the impact of the introduction of recent real estate regulations in our estimates and reiterate our Buy rating Cenomi (TP of SAR25.6). Investors' focus is likely to shift to progress on completion of two flagship malls and the sustainability of relief on receivables, in our view.

Three major developments in 2H25

Debt re-profiling to provide much-needed space: The two sukuk transactions (cumulative: SAR3.9bn) (i) provide a much-needed room to the company to prepay maturity falling due in Oct-2026, (ii) allow the management to maintain liquidity ratio within targets deemed necessary to sustain its current external rating on debt, a key management consideration, and (iii) expedite completion of two flagship projects. We continue to see Cenomi's debt to asset ratio faring close to 47-48% over 2025-2028.

Corporate restructuring -relief on overdue trade receivables: The divestment of 49.95% stake in Cenomi Retail, a former related party, has resulted in settlement of SAR434mn in overdue receivables in 3Q. The ownership change which accompanied other measures to strengthen the balance sheet of Cenomi Retail, has opened up the possibility of a sustainable relief for Cenomi on the future buildup of overdue receivables and related credit-related provisioning. For now, we maintain a conservative view on future receivables (overall non-related party:190 days receivables vs 130 previously).

Real estate regulation-modest impact: We estimate earnings impact of 0.5-7% over 2025-2030 from the recent regulation on freeze of rent for commercial entities in Riyadh. Cenomi's revenue exposure to Riyadh is likely to increase from 23% in 2024 to 34% in 2029, with the expected opening of Westfield Riyadh in 3Q26.

Key risks

(i) Risk of time and cost overruns on major projects, (ii) widening the scope of rent freeze regulations in other cities, and (iii) general economic slowdown, & (iv) supply additions.

Cenomi: Financial Highlights (SARmn)

Year to Dec	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Revenues	2254	2344	2396	2556	3017	3195
Growth	2.1%	4.0%	2.2%	6.7%	18.0%	5.9%
PAT	1501	1224	1451	825	982	1055
EPS (SAR)	3.2	2.6	3.1	1.7	2.1	2.2
Growth	49%	-18%	19%	-43%	19%	7%
DPS (SAR)	1.6	1.5	1.5	1.5	1.5	1.5
P/E (X)	6.3	7.7	6.5	11.4	9.6	8.9
D/Y (%)	8.2%	7.6%	7.6%	7.6%	7.6%	7.6%
EV/EBITDA(X)	14.3	14.9	12.7	13.8	11.1	10.4
P/BV (X)	0.7	0.7	0.6	0.6	0.6	0.6

Source: Cenomi, AC Estimates

Cenomi investment case has further strengthened, in our view, with the completion of two major sukuk issuances

We have lifted our earnings estimate by 62% for 2025 and 23% for 2026

Cenomi-Investment Case

Cenomi Centers' (Cenomi) investment case has further strengthened, in our view, with the completion of two major sukuk issuances in Nov-25 and the recent ownership changes in Cenomi Retail and the ensuing settlement of overdue receivables. We reflect the latest corporate developments along with the impact of the introduction of recent real estate regulations in our estimates, and reiterate our Buy rating on the stock with a TP of SAR25.6 (+29% upside). We believe investors' focus is likely to shift to progress on completion of two flagship malls and the sustainability of relief on receivables, in our view.

Summary of estimate changes

- We have lifted our earnings estimate by 59% for 2025 and 23% for 2026. Three major factors which have influenced our 2025 estimates are (i) fair value gains booked in 2Q and 3Q amounting to SAR460mn, (ii) recovery of insurance claims for a fire incident in Mall of Dhahran (MoD), and (iii) above-expected credit provisioning and modification losses.
- For 2026, we have accounted for the delay in the opening of flagship malls (Westfield Riyadh and Westfield Jeddah) and the associated impact on interest during construction. We have cut our EBIT estimate for 2026 by 7%, reflecting the impact of the delay in the opening of the two malls relative to previous management guidance, as well as the impact of rent freeze.
- We have removed the impact of Jawharat Al Khobar from our estimates due to uncertainty regarding the size, future capex, and timeline for opening of the mall. Management expects to finalize the change in project design of Jawharat Al Khobar by 4Q25.
- The changes to 2027 and 2030 estimates are driven by the impact of rent-freeze regulation, the impact of the removal of Jawharat Khobar, and partially offset by the changes in the credit provisioning.

Cenomi: Summary of estimate changes (SAR/sh)							
	2025E	2026E	2027E	2028E	2029	2030	TP
New	3.1	1.7	2.1	2.2	2.0	2.3	25.6
Old	1.9	1.4	2.2	2.5	2.4	2.6	26.2
%age	62%	23%	-7%	-12%	-14%	-13%	-2%

Source: Company Announcement

Three major developments in 2H25

Debt re-profiling to provide much-needed space

Cenomi has made significant progress on its plans to raise funds to prepay an existing sukuk maturing in Oct-26 of SAR3.3bn. Cenomi has raised a cumulative SAR3.9bn via issuance of two sukuk-a USD500mn sukuk on 24th Nov-2025 and a SAR denominated SAR4bn sukuk on 17th Nov. The management has highlighted the two issuances will effectively be debt-neutral for the company's balance sheet given the management's plans to prepay an existing sukuk maturing in 2026. The spreads over SAR/USD Repo rates on the two sukuk are calculated at 350bps and 487bps respectively. The spreads

Cenomi Centers: Sukuk yields at issuance		
Sukuk	Coupon	Yield
SAR-2031	8.5%	8.40%
USD-2029	9.5%	8.05%
USD-2030	8.9%	9.15%

Source: Cenomi, Bloomberg, Tadawul, AC

The completion of two sukuk transactions came at the right time

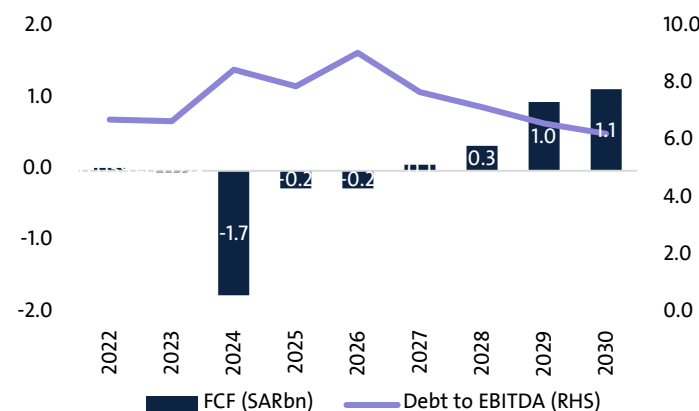
on the sukuk came ahead of our expectations. The spread on a USD denominated sukuk of USD600mn issued in Mar-2024 over US Repo rate was at 4% at the time of issuance. Interestingly, the yield on latest SAR sukuk has declined from 8.5% to 8.4%. Similarly, the yield on USD-Sukuk maturing in 2029 is also hovering below its coupon rate (Coupon:9.5%, Yield:8.05%). However, the yield on latest USD500mn sukuk has inched up to 9.15% vs coupon rate of 8.87%.

The completion of two sukuk transactions came at the right time and will provide a much-needed room to the company to execute its funding strategy and will allow the management to:

- (i) Maintain liquidity ratios within targets deemed necessary to maintain its current external rating on debt, a key management consideration. Fitch has assigned BB with negative outlook on Cenomi as of Jul-2025.
- (ii) Expedite completion of two flagship projects given the relief on liquidity
- (iii) Stick to the guidance of dividend payment (SAR0.372/quarter).

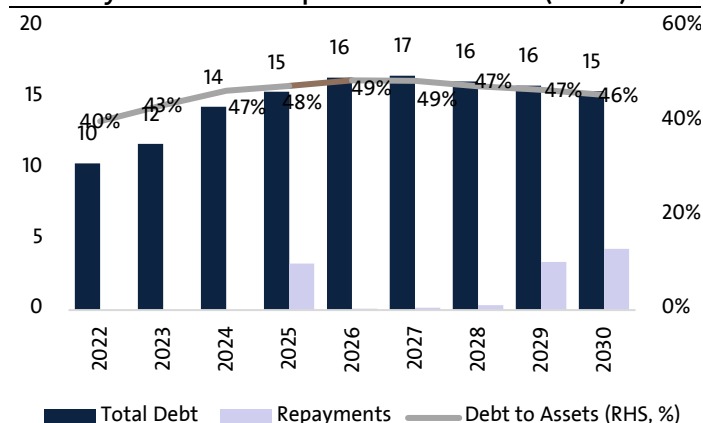
We continue to see Cenomi's debt to asset ratio faring close to 47-49% range over 2025-2028.

Cenomi FCF likely to turn positive in 2027* (SARbn)



*excludes capex of Jawharat Khobar, Source: Cenomi, AC Estimates

...and may contribute to drop in debt to asset ratio (SARbn)

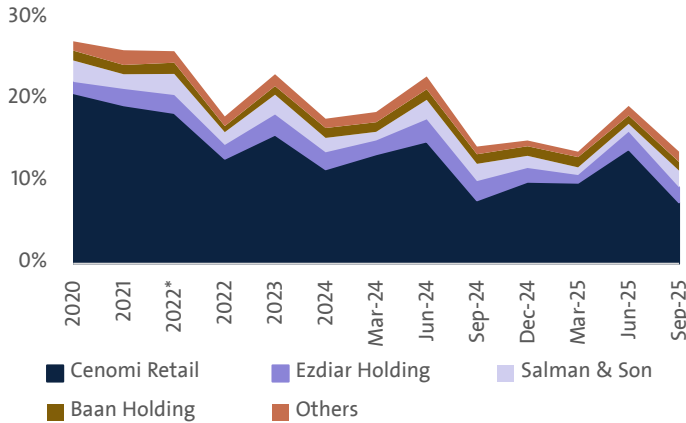


Source: Cenomi, AC Estimates

Corporate restructuring -relief on overdue trade receivables

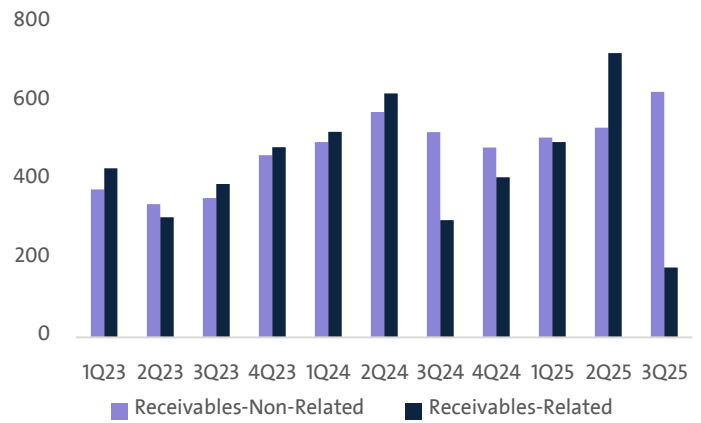
The divestment of a 49.9% stake in Cenomi Retail, a former related party, has resulted in settlement of SAR434mn overdue receivables in 3Q25. The ownership change which accompanied other measures to strengthen the balance sheet of Cenomi Retail, has opened up the possibility of a sustainable relief to Cenomi from future buildup of overdue receivables and related credit-related provisioning. The receivables from Cenomi Retail had accumulated to SAR615mn in June-25, up from SAR488mn in Dec-24, and were a major drain on the company's cash flows. We calculate the receivables from Cenomi Retail have dropped to SAR247mn in 3Q25 or 40% of total receivables from non-related parties. For now, we maintain a conservative view on future collection of rentals from Cenomi Retail and assume an overall receivable collection period of 190 days versus 130 days previously.

Cenomi Retail was a major contributor to related-party exposure



Source: Cenomi, AC Estimates

Cenomi: Related party receivables have dropped in 3Q (SARmn)

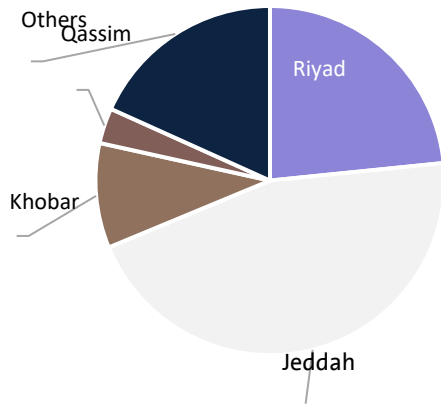


Source: Cenomi, AC Estimates

Real estate regulation-modest impact

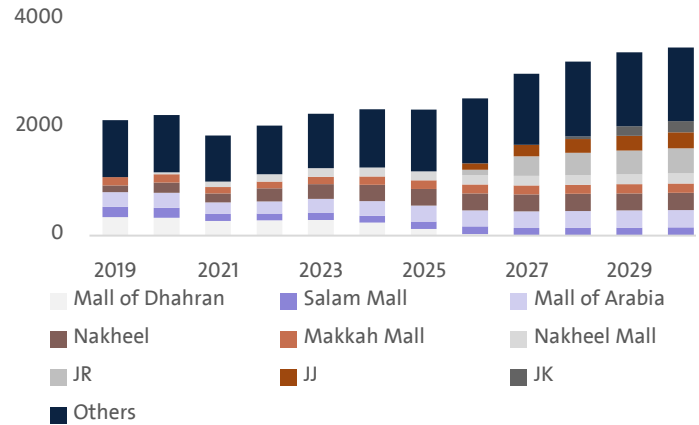
We estimate an earnings impact of -0.5-7% on Cenomi from the recent regulation on rent freeze for commercial entities in Riyadh. The impact is calculated based on an expected increase in lease rates of 2% built into our forecasts earlier and the associated compounding effect. It is pertinent to mention the management has estimated a nominal impact of 1%. Cenomi's exposure to Riyadh is likely to increase from 23% in 2024 to 34% in 2029, following the expected opening of Westfield Riyadh in 3Q26 and subsequent stabilization within three years.

Cenomi: Revenue profile by cities (2024A)



Source: Cenomi, AC Estimates

Cenomi: Revenue profile by mall (SARmn)



Source: Cenomi, AC Estimates

Cenomi's earnings came ahead of consensus expectations due to fair value gains.

Cenomi continued showing robust cost control with 10% YoY drop in the cost of revenue in 9M25

The timeline for the opening of two flagship malls has been pushed back

9M2025 Earnings-Adjusted earnings marred by one-offs

Cenomi Centers posted 9MQ25 earnings of SAR1,197mn, up 38% YoY. The 9M earnings came ahead of consensus expectations due to fair value gains. Overall, the underlying revenue indicators for Cenomi remained robust. However, escalation in operating costs, partially driven by certain one-offs, emerged as a concern.

- 9M25 revenue slipped by 2% YoY to SAR1.7bn. Cenomi has managed to maintain its revenue despite the expiry of lease on a significant portion of Mall of Dhahran (MoD) in 1Q25 (~10% revenue contribution in 2024), which is supported by increased occupancy in U-Walk Jeddah, improved lease rates and non-GLA revenue. The weighted average rental revenue is up 3% YoY in Sep-25 to SAR2055/sqm. The headline occupancy slipped 40bps YoY to 92.1% in Sep-25, primarily dragged by lower occupancy in the remaining lease area in MOD and category C malls. Occupancy in most Class A malls remained above 95%.
- Cenomi continued showing robust cost control with 10% YoY drop in the cost of revenue in 9M25. G&A has increased by a significant 29% in 9M25. Adjusted for one-offs and reversals, the increase in G&A costs is well contained at 5%.
- Cenomi's total receivables are down 11% YTD. The change in ownership in Cenomi Retail has resulted in a significant drop in related party receivables.
- Debt to asset ratio recorded a 48bps improvement from Dec24 levels to 48%, primarily due to 9M25 earnings (impact of fair value gains) and additions to assets (including IDC). Cenomi's total debt has increased from SAR15.3bn in Dec-24 to SAR16.1bn on Sep-25.
- The timeline for the opening of two flagship malls, Westfield Riyadh and Westfield Jeddah, has been pushed back to 3Q26 (2Q26 before) and 2Q26 (4Q25 before). The management expects to finalize the change in project design of Jawharat Al Khobar by 4Q25.

Cenomi 9M2025 Earnings Review (SARmn)

	1Q25	2Q25	3Q25	QoQ	9M24	9M25	YoY
Revenues	591	583	551	-5%	1,759	1,725	-2%
Cost of Revenue	-79	-93	-99	7%	-300	-272	-10%
Gross Profit	512	489	452	-8%	1,459	1,453	0%
Sales/Marketing	-4	-3	-14	361%	-16	-21	29%
G&A Expenses	-80	-69	-96	39%	-190	-246	29%
ECL	-80	-74	-81	10%	-256	-235	-8%
Net fair value	45	281	180	-36%	430	505	17%
Others	6	14	253	-4	9	267	
Operating Income	398	638	694	9%	1,435	1,724	20%
EBITDA*	406	417	342	-18%	1,252	1,164	-7%
Non-oper. Income	7	19	-8		-49	18	
EBIT	405	657	685	4%	1,387	1,747	26%
Financial Cost	-173	-170	-173	2%	-487	-515	6%
Pre-tax profit	233	487	512	5%	901	1,232	37%
Net Income	223	475	500	5%	868	1,197	38%
Gross Margin	87%	84%	82%	0%	83%	84%	1%
EBITDA Margin	69%	72%	62%	0%	71%	68%	-4%
Net Margin	38%	81%	91%	0%	49%	69%	20%
GLA (mn sqm)	1.3	1.3	1.3	0	1.37	1.3	-4.9%
Lease Rate	2040	2040	2055	1%	1994	2045.0	2.6%
Occupancy	93%	92%	92%	0%	93%	92%	-0.1%

*Excluded Fair value gains and ECL, Source: Company Announcement

Investment Case & Key Risks

Investment Thesis

Our Buy rating on Cenomi is premised on:

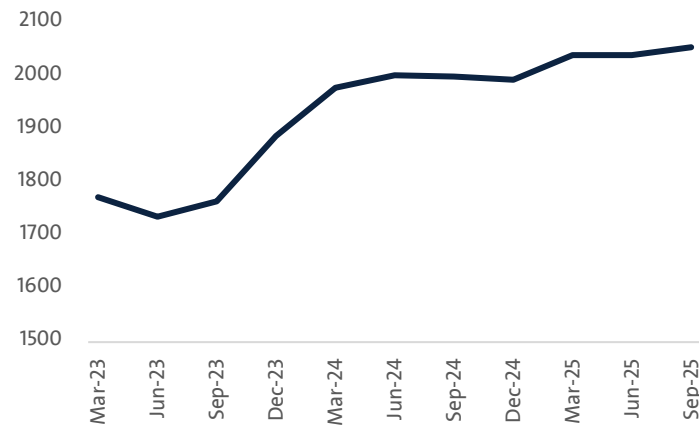
- Stellar earnings growth of the company on the back of sizeable addition of new GLA at lease rate materially above the current average rate
- Significant room for upside to our base case stemming from sustainable relief on working capital and clarity on design, project capex and timeline for opening of Jawharat Al Khobar
- Encouraging industry backdrop driven by growing tourism, and retail sales
- Attractive valuation with the stock trading P/E of 9.6x on 2027E earnings. Cenomi offers a healthy dividend yield of 7.5%. Cenomi has delivered on its payout guidance despite facing multiple challenges (project delays, rent-freeze, and elevated leverage) for most of 2025. The management has expressed commitment to maintaining payout in the near-term. The conclusion of recent sukuk issuances should help the management sustain the payout.

Key risks

- Risk of time and cost overruns of major projects
- Widening the scope of rent freeze regulations in other cities
- General economic slowdown
- Potential for a significant addition of future supply in real estate offerings relevant to Cenomi's business due to an increase in white land tax in key cities.

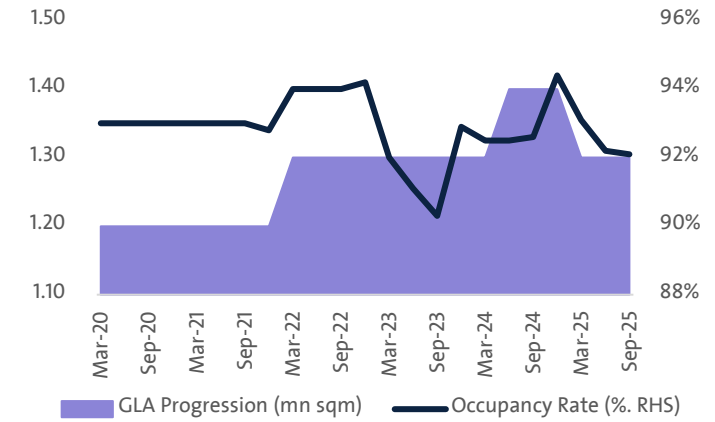
Cenomi in Charts

Cenomi: Weighted average lease rate (SAR/Sqm)



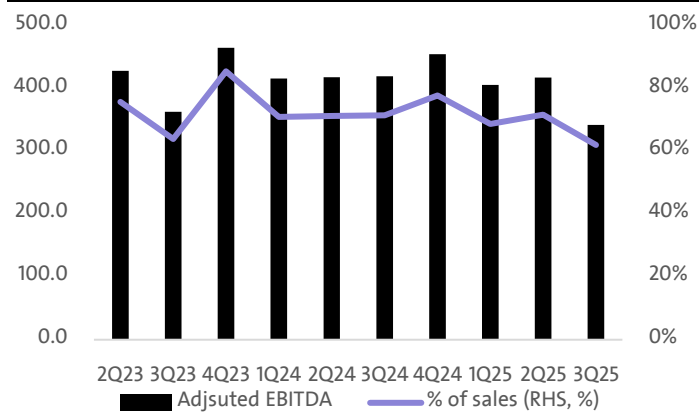
Source: Cenomi, AC Research

Cenomi: Occupancy levels (%)



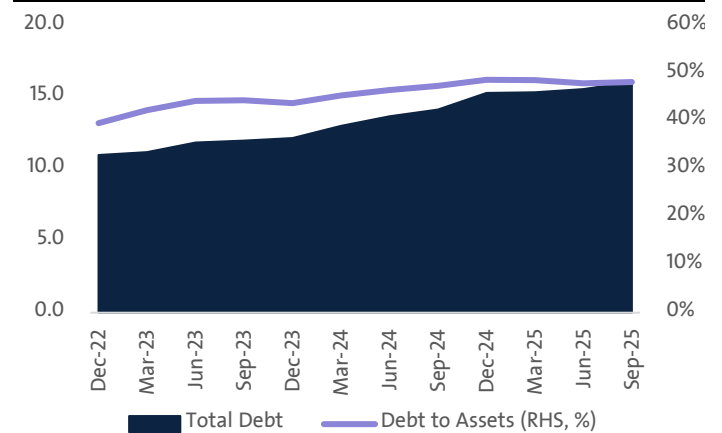
Source: Cenomi, AC Research

Cenomi: Adjusted EBITDA* and margin (SARmn)



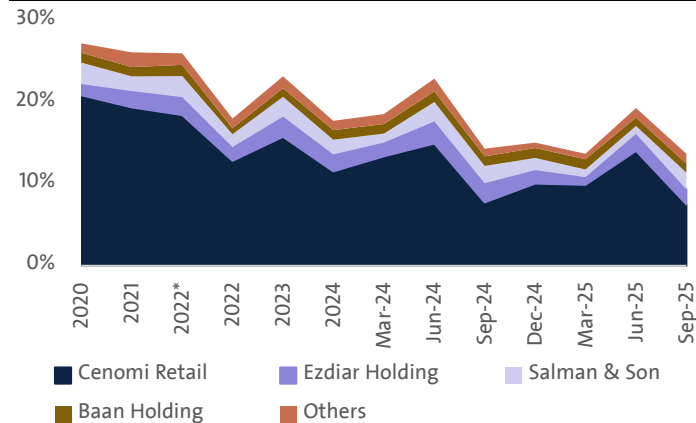
*Adjusted for fair value gains, ECL and others Source: Cenomi, AC Research

Cenomi: Debt to Asset (SARbn)



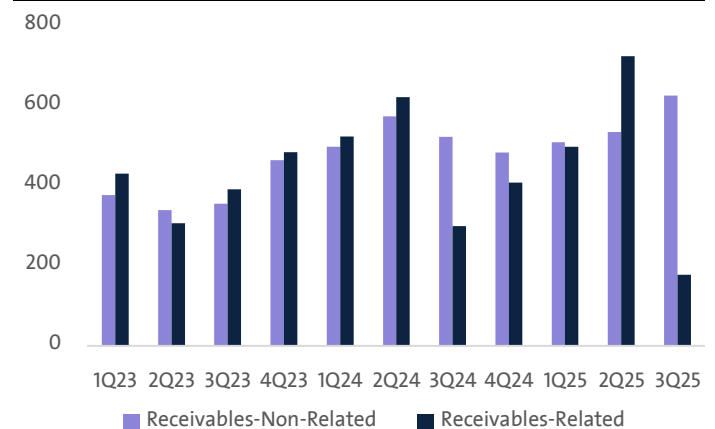
Source: Cenomi, AC Research

Cenomi: Related party exposure*



*Cenomi Retail categorized as related-party upto 3Q. Source: Cenomi, AC Research

Cenomi: Receivable trend (SARmn)



Cenomi Retail categorized as non-related-party. Source: Cenomi, AC Research

Key Financials

Income Statement						
SARmn	2023	2024	2025E	2026E	2027E	2028E
Revenue	2,254	2,344	2,396	2,556	3,017	3,195
Cost of Revenue	-383	-358	-353	-428	-457	-464
Gross Profit	1,870	1,986	2,042	2,128	2,560	2,731
Selling & distribution Exp	-65	-23	-33	-38	-41	-42
General & Adm. expenses	-349	-256	-339	-304	-295	-301
ECL	-190	-322	-300	-120	-138	-151
Fair Value Gains & Others	643	527	932	9	9	9
EBIT	1,909	1,912	2,302	1,676	2,095	2,246
EBITDA	1,556	1,362	1,669	1,692	2,112	2,262
Finance income/Others	-4	10	-158	18	15	10
Financial costs	143	-654	-666	-843	-1,100	-1,170
Zakat/tax	-40	-44	-28	-26	-29	-31
Profit after Tax	1,501	1,224	1,451	825	982	1,055
EPS	3.2	2.6	3.1	1.7	2.1	2.2
DPS	1.9	1.5	1.5	1.5	1.5	1.5

Source: Cenomi, AC Estimates

Balance Sheet						
SARmn	2023	2024	2025E	2026E	2027E	2028E
Assets	27,751	31,452	32,731	33,870	34,149	34,119
Non-Current Assets	25,855	28,781	30,916	32,181	32,590	32,647
PPE	25,390	28,068	30,586	31,843	32,297	32,420
Current Assets	1,896	2,671	1,815	1,689	1,558	1,472
Cash and cash equivalents	85	670	255	207	110	199
Trade receivables	464	483	650	662	782	754
Dues from related parties	484	408	180	292	265	195
Prepayments & Others	474	785	527	388	294	222
Equity	14,312	14,827	15,565	15,677	15,946	16,289
Share capital	4,750	4,750	4,750	4,750	4,750	4,750
Retained earnings & Others	8,232	8,743	9,481	9,593	9,862	10,205
Liabilities	13,439	16,624	17,165	18,192	18,202	17,830
Non-Current Liabilities	8,800	14,985	14,540	14,203	13,679	10,077
Long-term borrowings	5,882	12,138	11,683	11,516	11,170	7,755
Other non-current liabilities	2,876	2,825	2,830	2,654	2,471	2,280
Current Liabilities	4,639	1,639	2,625	3,990	4,523	7,752
Trade and other payables	703	671	649	763	789	776
Accrued expenses and others	427	416	272	280	288	296
Short-term borrowing	3,433	374	1,348	2,590	3,135	6,412

Source: Cenomi, AC Estimates

Summary of Cash Flows

SARmn	2023	2024	2025E	2026E	2027E	2028E
Operating Activities	1,390	1,006	1,781	1,736	2,099	2,418
Investing Activities	(689)	(1,939)	(918)	(735)	(221)	(55)
Financing Activities	-1228	1518	-1279	-1049	-1975	-2273

Source: Cenomi, AC Estimates

Key Ratios

Revenue Contribution	Units	2023	2024	2025E	2026E	2027E	2028E
Rental Revenue	X	91%	88%	87%	88%	89%	89%
Media	X	4%	5%	6%	6%	6%	6%
Others	X	5%	7%	6%	6%	6%	6%

Turnover Ratios

AR Turnover	X	2.5	2.5	2.8	2.9	3.0	3.2
AP Turnover	X	2.6	2.3	2.6	2.9	3.1	3.3
DSO	Days	148	143	131	127	121	114
DPO	Days	141	159	140	126	116	111
CCC	Days	7	-16	-9	1	5	3

Capital Structure Ratios

Debt to Equity	X	82%	97%	99%	105%	104%	99%
Debt to Assets	%	42%	46%	47%	49%	49%	47%
Net Debt to EBITDA	X	6.7	8.1	7.7	9.0	7.3	6.6
LTV*	%	34%	40%	41%	43%	43%	42%
Debt to EBITDAR*	X	4.9	6.7	6.3	7.5	6.2	5.7
Gearing*	%	59%	67%	77%	85%	86%	82%

Profitability Ratios

GP Margin	%	83%	85%	85%	83%	85%	85%
Operating Margin	%	-16%	-27%	-34%	-32%	-36%	-36%
EBITDA Margin	%	77%	72%	82%	71%	75%	76%
NP Margin	%	67%	52%	61%	32%	33%	33%
ROE	%	11%	8%	10%	5%	6%	7%
ROA	%	7%	6%	7%	5%	6%	6%

Market Ratios

Market Price	SAR/sh	19.81	19.81	19.81	19.81	19.81	19.81
PE	X	6.3	7.7	6.5	11.4	9.6	8.9
Dividend Yield	%	8.2%	7.6%	7.6%	7.6%	7.6%	7.6%
BVPS	SAR/sh	29.5	30.0	31.1	32.7	32.9	33.5
PBV	X	0.67	0.66	0.64	0.61	0.60	0.59
EV/EBITDA	X	14.3	14.9	12.7	13.8	11.1	10.4

Source: Cenomi, AC Estimates

Analyst Certification:

I, **Muhammad Fawad Khan, CFA**, the author of this report, hereby certify that that: (i) views expressed in this report reflect the Research Analyst's personal views about all of the securities and (ii) no part of any of compensation of the author/s was, is, or will be directly or indirectly related to the specific recommendations or views expressed by in this report.

Rating Methodology

Alinma Capital Company (AC) follow a three-tier rating system based on total return methodology as per following details

>+15% Total Return: Stocks with +15% expected total return (including dividend yield) over the next 12-months are classified as Buy.

5-15%: Stocks with total return between 5-15% can be classified as Buy or Neutral.

>-5%<+5% total return: Stocks with total return between -5+5% can be classified as Neutral or Underperform

Underperform-Stocks which are expected to have <-5% total return

Not Covered: AC has not assigned any rating on the stock

Coverage Suspended: AC has temporarily suspended the coverage of the stock either in compliance with local regulation or other considerations

Price data for the listed securities is based on 07 December-2025.

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